



State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

KRISTEN COX
Executive Director

July 25, 2017

Spencer J. Cox
Lieutenant Governor
Utah State Capitol, Suite 220
Salt Lake City, UT 84114

Dear Lieutenant Governor,

Below is the Governor's Office of Management and Budget's fiscal estimate for "The Utah Medical Cannabis Act" initiative.

The Governor's Office of Management and Budget estimates the law proposed by this initiative would result in total fiscal expenses of \$2,900,000 (\$1,800,000 ongoing and \$1,100,000 one-time).

Fee collections would cover about \$1,400,000 of ongoing costs. General state revenues would be required for remaining ongoing costs (\$400,000) and all one-time costs (\$1,100,000).

The complete impact of the proposed tax provisions is inestimable due to lack of clarity in proposed language. Under the proposed sales tax exemption, the state and local governments would forego \$1,600,000 in sales tax revenue.

Consumer and firm behavior different than assumed would alter these estimates.

In addition, the cost of posting information regarding the initiative in Utah's statewide newspapers and for printing the additional pages in the voter information packet is estimated at \$30,000.

Should you have any questions, please contact Nate Talley at (801) 538-1556 or Duncan Evans at (801) 538-1592.

Sincerely,

Kristen Cox
Executive Director